

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER

Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA

Division Director

| Representatives Present During the Inspection: | | | | | | | |
|------------------------------------------------|-----------------|--|--|--|--|--|--|
| Company | Kit Pappas | | | | | | |
| OGM | Kart Houskeeper | | | | | | |

Inspection Report

| Permit Number: | C0070020 | | | |
|------------------|-----------------------------|--|--|--|
| Inspection Type: | PARTIAL | | | |
| Inspection Date: | Thursday, December 09, 2010 | | | |
| Start Date/Time: | 12/9/2010 9:30:00 AM | | | |
| End Date/Time: | 12/9/2010 12:30:00 PM | | | |
| Last Inspection: | Thursday, November 18, 2010 | | | |

Inspector: <u>Karl Houskeeper</u>, Weather: <u>Clear, Temp. 32 Deg. F.</u> InspectionID Report Number: <u>2586</u>

Accepted by: jhelfric 12/9/2010

Permitee: HIDDEN SPLENDOR RESOURCES
Operator: HIDDEN SPLENDOR RESOURCES

Site: HORIZON MINE

Address: 57 WEST 200 SOUTH, SUITE 400, SALT LAKE CITY UT 84101

County: CARBON

Permit Type: PERMANENT COAL PROGRAM

Permit Status: ACTIVE

Current Acreages

| 1,577.00 | Total Permitted | | | |
|----------|------------------------|--|--|--|
| 9.50 | Total Disturbed | | | |
| | Phase I | | | |
| | Phase II | | | |
| | Phase III | | | |

Mineral Ownership

Types of Operations

✓ Federal ✓ Underground

State Surface

County Loadout

✓ Fee Processing

Other Reprocessing

Report summary and status for pending enforcement actions, permit conditions, Division Orders, and amendments:

Inspector's Signature:

Karl R. Louskeper

Date

Thursday, Decem



Karl Houskeeper,

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REVIEW OF PERMIT, PERFORMANCE STANDARDS PERMIT CONDITION REQUIREMENTS

- 1. Substantiate the elements on this inspection by checking the appropriate performance standard.
 - a. For COMPLETE inspections provide narrative justification for any elements not fully inspected unless element is not appropriate to the site, in which case check Not Applicable.
 - b. For PARTIAL inspections check only the elements evaluated.
- 2. Document any noncompliance situation by reference the NOV issued at the appropriate performance standard listed below.
- 3. Reference any narratives written in conjunction with this inspection at the appropriate performace standard listed below.
- 4. Provide a brief status report for all pending enforcement actions, permit conditions, Divison Orders, and amendments.

| | | Evaluated | Not Applicable | Comment | Enforcement |
|-------------|---------------------------------------------------------------|-----------|----------------|----------|-------------|
| 1. | Permits, Change, Transfer, Renewal, Sale | | | | |
| 2. | Signs and Markers | ~ | | ✓ | |
| 3. | Topsoil | | | | |
| 4.a | Hydrologic Balance: Diversions | ~ | | V | |
| 4.b | Hydrologic Balance: Sediment Ponds and Impoundments | | | | |
| 4.c | Hydrologic Balance: Other Sediment Control Measures | | | | |
| 4.d | Hydrologic Balance: Water Monitoring | | | | |
| 4.e | Hydrologic Balance: Effluent Limitations | | | | |
| 5. | Explosives | | | | |
| 6. | Disposal of Excess Spoil, Fills, Benches | | | | |
| 7. | Coal Mine Waste, Refuse Piles, Impoundments | | | | |
| 8. | Noncoal Waste | ✓ | | ✓ | |
| 9. | Protection of Fish, Wildlife and Related Environmental Issues | | | | |
| 10. | Slides and Other Damage | | | | |
| 11. | Contemporaneous Reclamation | | | | |
| 12. | Backfilling And Grading | | | | |
| 13. | Revegetation | | | | |
| 14. | Subsidence Control | | | | |
| 15. | Cessation of Operations | | | | |
| 16.8 | a Roads: Construction, Maintenance, Surfacing | | | | |
| 16.b | Roads: Drainage Controls | | | | |
| 17. | Other Transportation Facilities | | | | |
| 18. | Support Facilities, Utility Installations | | | | |
| 19. | AVS Check | | | | |
| 20. | Air Quality Permit | | | | |
| | Bonding and Insurance | | | | |
| 22. | Other | | | | |

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2. Signs and Markers

The mine identification sign is located at a point of contact of the public to the permit area. The sign has the required information.

4.a Hydrologic Balance: Diversions

The diversion that is adjacent to the mine office needs to be maintained. The diversion is still functional but needs to be re-defined.

8. Noncoal Waste

Several items of noncoal waste (trash) are on the topsoil pile adjacent to the mine office. The items are to be picked up and placed in the appropriate storage facility. Belting is laid to the side of the sediment pond and the county road. The belting needs to be gathered from this location and place In an approved storage location.